

Forum Series on the Role of Institutions in Promoting Economic Growth

Concluding Comments by Ed Connerley on Forum 5

Forum 5: NIE-Based Toolkits for USAID Applications

USAID Discussant Remarks

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First of all, I think I should confess that I'm only an ersatz USAID staffer. The veterans around here will know that I have not been around here for long—about 16 months. I did work for USAID here in Washington for about four and a half years back in the 1970s. Between those times, I spent about 10 years as a so-called independent consultant—which means you never say “No” to a potential job. I should also say that I am also an ersatz academic. I tried my hand at that for a while. So, while I may not be able to bridge the gap between the two, I certainly can fill it.

I would like to comment upon the spirit of collaboration between IRIS and USAID in this Forum Series and its attempt to provide very simple tools. We have not yet arrived there, but we are headed in the right direction by trying to arrive at the “tools” level. For example, the analyses of the TCAR project have not yet been processed to the extent that an AID mission would find it useful, partly because of our time-frame problem—a common problem that we have at AID. So I applaud the effort that was undertaken in this project.

Secondly, I will go back to the methodological notion that was raised in our initial session this morning. Omar Azfar spoke about the randomized trial approach as a key element of progress in medical science and urged that USAID incorporate the use of randomized trials in its work. I think this is a useful suggestion and that USAID's efforts would benefit from prospectively randomized designs. While there were some criticisms of the method this morning, I want to encourage our exploration of it. Typically, USAID finds it difficult to utilize strong research methodologies and the use of randomized experimental treatments would generate significant and very useful knowledge about the strengths and weaknesses of USAID's development assistance efforts.

It may be useful to consider another aspect of the “medical model” with less fortunate impacts on USAID's work. In practice, USAID missions frequently operate as if they were individual medical doctors, ministering to the needs (as defined by USAID and the U.S. Embassy) of their respective host countries. As a highly decentralized organization, USAID is “driven,” in aggregate, by its individual missions, by their objectives, by their aspirations. Earlier this afternoon a participant in this session asserted that “If you want to understand a mission, all you have to do is to understand the personality of the mission director.” That statement may well be quite accurate, but it hardly describes a virtue of the Agency. In fact, it describes a great weakness.



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Though there are numerous formalisms of central planning and control, the existence of multiple principals (e.g. congressional committees, executive agencies and influential constituency groups) and the inherent difficulties of measuring multi-dimensional, frequently abstract “achievements” under varying national and regional circumstances and varying relevant time frames, renders central plans, at best, “indicative.” Indeed, the difficulties of appropriately measuring Agency and/or mission performance are so daunting as to have caused the virtual abandonment of all attempts.

A mythology of the Agency is that we are driven by the desire to help recipient countries develop. Belief in the mythology reinforces arguments in favor of mission autonomy and discretion, which is the basis for a perception of “the mission as physician.” The truth is substantially more complex than the statement suggests. Foreign policy objectives of the United States and objectives of influential U.S. interest groups often take precedence over development support.

Furthermore, the scientific understandings of disease pathologies that underlie the successful practice of medicine simply do not exist for many areas of USAID’s “practice.” My field of practice, the promotion of democracy and governance, is an excellent example of a practice that is poorly supported by underlying science. There are no equivalents to pathology, epidemiology, histology, etc. that, collectively, underwrite the physicians’ promise to “do no harm.” Our attempts to improve democracy and governance occasionally produce unintended, sometimes widely harmful, outcomes, but, because we only dimly understand how to measure results and trace causality, we are able to deny responsibility or, more palatably, incorporate knowledge of these effects into a dimly understood “lesson learned” which may (or may not) improve future practice and does nothing to alleviate the harm already inflicted. In USAID’s decentralized drive for the successful implementation of development projects, few have time, or the will, to seriously consider whether avowed good intentions are supported by knowledge sufficient to guarantee “no harm.”

The dominance of missions within the Agency and the dominance of particular personalities (usually mission directors) within missions is a sign of weakness within the Agency. It shows that we have only weak technologies that we bring to bear. We do not have a body of knowledge that we can consistently apply to solve development problems. We take in wonderful, highly qualified, highly motivated individuals, and 30 years later 30-40% of them are still highly motivated individuals who have been doing bureaucratic work for 25 out of those 30 years. Being a technician, or technologically sophisticated, or even sound, within USAID is *not* rewarded. There are few, if any, incentives in the Agency to maintenance and improvement of technical skills. This is particularly true for those who aspire to be mission directors, who are encouraged to have a broad range of management and programming skills, rather than a deep knowledge of a particular technical area. The notion of so much discretion being placed in the hands of mission directors is dangerous in an environment of poor technical knowledge of the tasks to be accomplished. One of the first papers we had in this Forums Series was on international



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public goods—Michael Kremer’s paper. Kremer pointed out that the developing world needs a variety of international public goods—AIDs vaccines, malaria vaccines, and others. Such international public goods are seldom in the manageable interest of any individual USAID mission. There is a strong argument for more central allocation of funds to support core research. The other primary argument for more centralization at USAID comes from the fact that we need to develop good technical routines and deep technical expertise. As long as we have a mission-driven organization, we will have an emphasis on project success instead of—and at the expense of—learning. Some part of this Agency has to put learning *before* project success. It is anathema within USAID today to put learning ahead of project success.

Another point that I would like to make has to do with accountability and culture. One of the problems that Mary Shirley or Lee Benham work on in the Coase Institute is developing expertise in institutional economics within the developing world, which is extremely important because of the need for the AID missions to be accountable to the countries in which they operate. Unless the research and educational effort that needs to occur within AID is simultaneously accompanied by similar campaigns within the developing world and informs policy decisions there, we will end up with a system that is accountable in inappropriate ways. We already talked about the inappropriate accountability that USAID, lacking domestic constituencies, currently bears to Congress which leaves us too much in the oversight of a Congress too willing to make us jump through hoops. The undue influence of Congress, and individual congress members, would be blunted if the Agency were more systematically, but appropriately, accountable to recipient countries. One of the lessons available to those of us who study institutions is that multiple, conflicting accountability regimes (diffused controls) are at the heart of the predictability and constancy that we value in well-functioning institutional systems.

